

THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON, ARIZONA

Legal Action Report of the Regular Meeting of the Board of Directors

Thursday, April 18, 2019
2:30 p.m.

at the
Tucson Metropolitan Chamber of Commerce
465 W. Saint Mary's Road
Tucson, Arizona 85701

Present: Board Members Larry Lucero
Neal Eckel
Judy Clinco
Sandra Barton
Melissa "Mimi" Petro
Patricia Schwabe (arrived at 2:50 p.m.)

Advisors Charles Lotzar, Lotzar Law Firm, PC
Karen Valdez, BDFC Advisor Services, LLC
Gary Molenda, BDFC Advisor Services, LLC

Absent Meredith Aronson

Guests Mike Czechowski, City of Tucson
Barbra Coffee, City of Tucson Economic Initiatives
Iris Patton, Geospatial Collaborative / ROGUE Communities

The Regular Meeting of the Board of Directors of The Industrial Development Authority of the City of Tucson, Arizona (the "Authority") was held on **April 18, 2019**, at the Tucson Metropolitan Chamber of Commerce, 465 W. Saint Mary's Road, Tucson, AZ 85701. All Authority's Board Members and the general public were duly notified of the meeting. C. Lotzar had informed the Authority's Board of Directors that Arizona's Open Meeting Laws allow for members of the Authority's Board of Directors and legal counsel to appear and participate in the meeting telephonically so long as all participants in the meeting can hear and be heard.

ITEM	ACTION TAKEN/TO BE TAKEN
1. Call to Order The meeting was called to order by Larry Lucero, Acting President, with a quorum present.	The meeting was called to order at 2:32 p.m.
2. Request for resolution to approve the minutes of the Regular Meeting of March 21, 2019.	A MOTION was made and seconded (N. Eckel / S. Barton) to approve the minutes of the March 21, 2019 Regular Meeting as presented. Approved 5-0.
3. Request for resolution to approve the payment of invoices and the notification of items to be paid on the Authority's behalf by third parties.	A MOTION was made and seconded (J. Clinco / N. Eckel) to approve payment of invoices, as presented. Approved 5-0

<p>4. Status report from the Liaison to City of Tucson, Arizona City Manager's Office related to:</p> <ul style="list-style-type: none"> a. The City's Economic Development Prospect list. b. The City's use of Economic Development tools. c. Opportunity Zones. e. Current items of interest. 	<p>No action taken</p>
<p>5. President's Report: Summary of current events, including items brought to the President's attention or matters that required handling by the President since the last meeting:</p> <ul style="list-style-type: none"> a. Wild Ride – April 5, 2019. b. Website development. c. Discussion with parties interested in the Authority's real property. d. Potential May 23, 2019 Special Meeting / Board Retreat. e. Establishing Agendas for meetings. f. Advisory Committee Structure. g. Articles of Incorporation, as amended – November 10, 2011. h. Bylaws as amended – February 2, 2013. i. Application Procedures and Policies - April 1, 2006. j. Document Standards – September 10, 2013. 	<p>No action taken</p>
<p>6. Status report concerning recommendation from the Loan Review Committee concerning a request from Business Development Finance Corporation ("BDFC") for participation in a loan with BDFC in an amount not to exceed \$60,000 related to BDFC's loan to The River 5, LLC for its business to be operated at 1640 E. River, Suite 180, Tucson, Arizona 85718, and request for resolution for all actions related thereto.</p>	<p>A MOTION was made and seconded (S. Barton / N. Eckel) to accept the recommendation of the Loan Review Committee and approve participation in a loan with BDFC, in an amount not to exceed \$60,000, conditioned upon further due diligence, related to BDFC's loan to The River 5, LLC, as presented. Approved 6-0</p>
<p>7. Staff Reports: Monthly Staff Report for the month ending March 31, 2019</p> <ul style="list-style-type: none"> a. General Operations of the Authority: <ul style="list-style-type: none"> i. Parking Lot Financial Statements prepared by Pueblo Parking Systems, LLC ("PPS"). ii. Bond Borrower's payment of Administrative Fees. iii. Cash Management. iv. Loan Servicing. v. Loan Origination. vi. 450 N. Main Street. b. Legislation updates: <ul style="list-style-type: none"> i. Federal legislation ii. Arizona legislation c. Real Estate: <ul style="list-style-type: none"> i. Block 175 ii. Stone & Council iii. 450 N. Main d. Outstanding Single-Family Programs: <ul style="list-style-type: none"> i. \$40,000,000 The Industrial Development Authority of the County of Pima and The Industrial Development Authority of the City of Tucson, Arizona Revolving Taxable Single Family Mortgage Loan Program of 2012 (the "Pima/Tucson Homebuyers Solution 	<p>No action taken</p>

<p>Program” or “PTHS Program”) - commenced on December 17, 2012 and unless extended expires on December 31, 2020 – more than \$573,400,000 in mortgage-backed securities sold with more than \$22,500,000 of down payment assistance granted to homebuyers.</p> <p>ii. The Industrial Development Authority of the City of Tucson, Arizona The Industrial Development Authority of the County of Pima Tucson P2P Program (the “Tucson P2P Program”) – Phase II commenced on August 1, 2018 and unless extended expires on December 31, 2020 – more than \$50,500,000 in mortgage-backed securities sold (1st sales in October 2016) with more than \$2,900,000 of down payment assistance granted to homebuyers and over \$469,000 deposited into the Tucson Rapid Rehousing Fund.</p> <p>iii. \$9,375,000 The Industrial Development Authority of the City of Tucson, Arizona Single Family Mortgage Credit Certificate Program of 2017- January 3, 2017 – Origination Period expires December 31, 2019 more than 45 issued aggregating to over \$6,638,500.</p> <p>iv. The 7% 2nd Mortgage Loans originated in connection with:</p> <p>A. Series 2006 (Joint) - \$30,475,000 – 1st Mortgage Loan Interest Rate 5.97% - 2016 Final Redemption of all Bonds - approximately \$150,800 in 2nd Mortgage Loans are outstanding).</p> <p>B. Series 2007A (Joint) - \$23,400,000 - 1st Mortgage Loan Interest Rate 5.69% - 2016 Final Redemption of all Bonds - approximately \$182,400 in 2nd Mortgage Loans are outstanding).</p>	
8. Call to the Public	No action taken
9. Adjourn	A MOTION was made and seconded (S. Barton / J. Clinco) to adjourn the meeting at 4:30 p.m. Approved 6-0

Submitted by:
Karen J. Valdez
 Business Development Finance Corporation

Approved by:
Larry Lucero, Acting President
 The Industrial Development Authority of the
 City of Tucson, Arizona